

EXHIBIT 1

to the Attorney Declaration



OFFICE *of the* UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT

2023 Review of Notorious Markets for Counterfeiting and Piracy

Table of Contents

Overview of the Results of the 2023 Review of Notorious Markets for Counterfeiting and Piracy ...	1
Issue Focus: The Potential Health and Safety Risks Posed by Counterfeit Goods	3
Positive Developments Since the 2022 Notorious Markets List	11
Results of the 2023 Review of Notorious Markets	16
Online Markets.....	17
1337X.....	20
1FICHIER	20
2EMBED	20
AMARUTU	21
ANIWATCH.....	21
AVITO.....	22
BAIDU WANGPAN	22
BESTBUYIPTV.....	22
BUKALAPAK.....	23
CUEVANA3.....	23
DDOS-GUARD	24
DHGATE.....	24
FLOKINET	25
FMOVIES.....	25
GENIPTV	26
INDIAMART	26
KRAKENFILES.....	26
LIBGEN	27
NSW2U	27
PELISPLUS	27
PINDUODUO.....	28
RAPIDGATOR.....	28
RUTRACKER	29
SAVEFROM.....	29

SCI-HUB.....	30
SHABAKATY	30
SHOPEE	31
SPIDER	32
SQUITTER.....	32
SSYOUTUBE	32
STREAMTAPE	33
TAOBAO.....	33
THEPIRATEBAY.....	34
TORRENT GALAXY	34
VEGAMOVIES	35
VK	35
WECHAT (WEIXIN) E-COMMERCE ECOSYSTEM.....	36
WHMCS SMARTERS.....	37
YTS.MX.....	37
Physical Markets.....	39
ARGENTINA	40
BRAZIL	41
CAMBODIA.....	41
CANADA.....	42
CHINA	42
INDIA	45
INDONESIA	46
KYRGYZ REPUBLIC	46
MALAYSIA	47
MEXICO.....	47
PARAGUAY.....	48
PERU.....	48
PHILIPPINES.....	49
RUSSIA	50
THAILAND.....	51
TURKEY	52
UNITED ARAB EMIRATES.....	52
VIETNAM.....	53

Public Information 54

Overview of the Results of the

2023 Review of Notorious Markets for Counterfeiting and Piracy

Commercial-scale copyright piracy and trademark counterfeiting¹ cause significant financial losses for U.S. right holders and legitimate businesses, undermine critical U.S. comparative advantages in innovation and creativity to the detriment of American workers, and pose significant risks to consumer health and safety. The 2023 Review of Notorious Markets for Counterfeiting and Piracy (Notorious Markets List, or NML) highlights prominent and illustrative examples of online and physical markets that reportedly engage in, facilitate, turn a blind eye to, or benefit from substantial piracy or counterfeiting. A goal of the NML is to motivate appropriate action by the private sector and governments to reduce piracy and counterfeiting.

The NML includes an Issue Focus section. For 2023, the Issue Focus examines the potential health and safety risks posed by counterfeit trademark goods to consumers. Counterfeit manufacturing often occurs outside of regulatory oversight or product safety controls, leading to substandard, ineffective, and often dangerous products.

The NML also includes Positive Developments, Online Markets, and Physical Markets sections. The Positive Developments section identifies actions that governments and private entities have taken this past year to reduce piracy and counterfeiting. The Online Markets and Physical Markets sections highlight markets that require further actions.

The Office of the United States Trade Representative (USTR) highlights certain online and physical markets because they exemplify global counterfeiting and piracy concerns and because the scale of infringing activity in these markets can cause significant harm to U.S. intellectual property (IP) owners, workers, consumers, and the economy. Some of the identified markets reportedly host a combination of legitimate and unauthorized activities. Others openly or reportedly exist solely to engage in or facilitate unauthorized activity.

¹The terms “copyright piracy” and “trademark counterfeiting” appear below as “piracy” and “counterfeiting,” respectively.

This year's NML includes several previously identified markets because owners, operators, and governments failed to address the stated concerns. Other previously identified markets may not appear in the NML for a variety of reasons, including that the market has closed or its popularity or significance has diminished; enforcement or voluntary action has significantly reduced the prevalence of IP-infringing goods or services; market owners or operators are cooperating with right holders or government authorities to address infringement; or the market is no longer a noteworthy example of its kind. In some cases, physical and online markets in the 2022 NML are not highlighted this year, but improvements are still needed, and the United States may continue to raise concerns related to these markets on a bilateral basis with the relevant countries.

The NML is not an exhaustive account of all physical and online markets worldwide in which IP infringement may take place. The NML does not make findings of legal violations nor does it reflect the U.S. Government's analysis of the general IP protection and enforcement climate in the countries connected with the listed markets. A broader analysis of IP protection and enforcement in particular countries or economies is presented in the annual Special 301 Report published at the end of April each year.

USTR developed the NML under the auspices of the annual Special 301 process² and solicited comments through a Request for Public Comments published in the Federal Register (<https://www.regulations.gov>, Docket Number USTR-2023-0009). The NML is based predominantly on publicly available information. USTR has identified notorious markets in the Special 301 Report since 2006. In 2010, USTR announced that it would begin publishing the NML separately from the annual Special 301 Report, pursuant to an out-of-cycle review. USTR first separately published the NML in February 2011.

² Please refer to the Public Information section for links to information and resources related to Special 301.

Issue Focus: The Potential Health and Safety Risks Posed by Counterfeit Goods

Each year, the Issue Focus section of the NML highlights an issue related to the facilitation of substantial counterfeiting or piracy. Past issue focus sections highlighted the adverse impact of online piracy on workers (2022), the adverse impact on workers involved in the manufacture of counterfeit goods (2021), e-commerce and the role of Internet platforms in facilitating the importation of counterfeit and pirated goods into the United States (2020), malware and online piracy (2019), and free trade zones (2018).

USTR continues to execute the Biden-Harris Administration's vision of a worker-centered approach to trade policy that grows the economy from the bottom up and the middle out. This approach is one that focuses on the needs and challenges of regular people.

This year's NML Issue Focus examines the potential health and safety risks posed by counterfeit goods to consumers. Counterfeit products are manufactured outside legal frameworks in workplaces that are not subject to the same regulations and safety standards as legitimate commerce. Counterfeit goods are more likely to be made of substandard materials, contain toxic or harmful chemicals, or break apart or fail in ways that can be dangerous to the person using them. Although much of the evidence available about the dangers of counterfeit goods is not comprehensive due to the systematic lack of visibility, safety checks, and product oversight associated with the counterfeit market, the potential health and safety risks posed by counterfeit goods are significant.

I. The Dangers of Counterfeit Goods

Children's Toys and Other Children's Products

Counterfeit baby products and children's toys can pose serious risks for people. When it comes to products intended for use by infants, toddlers, and children, non-compliance with safety standards can be dangerous. Children's products produced and sold through legitimate

streams of commerce are subject to rigorous safety standards in the United States, over and above standards set for general use products, to ensure that these goods remain safe for children to handle. Third-party testing and certification are required by the Consumer Products Safety Commission (CPSC) for toys designed or intended primarily for children 12 and under.³ In contrast, counterfeit toys avoid compliance with these and similar safety standards and have no assurance of quality. Counterfeit manufacturers aim for the lowest cost product, and by doing so may use substandard, often unregulated materials with no government oversight. These counterfeit products are trading on the reliable reputation of a legitimate product, when in fact they may be more likely to break apart, break down, or contain harmful chemicals or dyes.

U.S. Customs and Border Protection (CBP) works to interdict counterfeits and other illegal imports at the nation's ports of entry before entering the U.S. stream of commerce. Every year, CBP Officers seize thousands of shipments containing counterfeit toys and games,⁴ which can be of poor quality and in some cases, include infringing labels that falsely indicate testing and safety certifications.⁵ According to CBP, "[c]ounterfeit toys tend to be coated in excessive levels of lead paint,"⁶ and authorities have warned of cases of counterfeit toys containing both lead and cadmium.⁷ CNN profiled the risks of counterfeit children's products in 2019, highlighting dangerous examples of counterfeit car seats that broke apart and failed in a crash test, as well as other counterfeit baby products that easily fall apart and lead to choking hazards, leak

³ Consumer Product Safety Commission, Toy Safety Business Guidance & Small Entity Compliance guide (November 2023) <https://www.cpsc.gov/Business--Manufacturing/Business-Education/Toy-Safety-Business-Guidance-and-Small-Entity-Compliance-Guide>.

⁴ See CBP Newsroom at <https://www.cbp.gov/newsroom/local-media-release/cbp-new-yorknewark-seizes-nearly-13-million-counterfeit-toys-ahead> and <https://www.cbp.gov/newsroom/local-media-release/cbp-new-orleans-seizes-1807-copyright-infringing-pop-fidget-toys>.

⁵ See CBP Newsroom at <https://www.cbp.gov/newsroom/local-media-release/cbp-import-specialists-and-officers-seize-counterfeit-rechargeable-toys> and <https://www.cbp.gov/newsroom/local-media-release/norfolk-va-cbp-officers-seize-130k-counterfeit-goods-including-infant>.

⁶ U.S. Customs and Border Protection, Counterfeit Pokemon Action Figurines Can't Go Past Harrisburg CBP (May 2020), <https://www.cbp.gov/newsroom/local-media-release/counterfeit-pokemon-action-figurines-can-t-go-past-harrisburg-cbp>.

⁷ Minnesota Department of Health, Consumer Product Notice, Dangerous lead and cadmium found in off-brand spinning battle toys (November 2019), <https://www.health.state.mn.us/communities/environment/lead/docs/spinbattletoys.pdf>.

potentially hazardous fluids, or otherwise malfunction.⁸ Parents rely on high-quality products to keep their children both safe and entertained, but counterfeiters take advantage of a trusted label to sell substandard and dangerous products and profit from unwary consumers.

Car Parts

Airbags, brakes, oil filters, spark plugs, and other car parts are other examples of products that can be particularly dangerous when counterfeited. The National Highway Traffic Safety Administration (NHTSA) estimates that frontal air bags have saved more than 50,000 lives over a 30-year period.⁹ However, this important safety feature can be compromised if those air bags are counterfeit. According to the Homeland Security Investigations (HSI) National Intellectual Property Rights Coordination Center (IPR Center), “[c]ounterfeit airbags and their components can cause severe malfunctions ranging from non-deployment, under inflation, over inflation to explosion of metal shrapnel during deployment in a crash.”¹⁰ The Automotive Anti-Counterfeiting Council (A2C2) demonstrates the risks of counterfeit airbags and other car parts. In a side-by-side crash test of a counterfeit and genuine airbag, the counterfeit bag bursts apart, failing to protect the driver from significant impact. In a similar side-by-side test of genuine versus counterfeit aluminum wheels, the genuine wheel is able to roll into and over a pothole, while a piece of the counterfeit wheel cracks and flies off. Counterfeit brakes and brake pads present another potential risk; another stress test comparison between a genuine and counterfeit product shows the counterfeit version begin to overheat and fail.¹¹ Counterfeit brakes have been found to be made of materials such as grass and sawdust, possibly jeopardizing their capability to stop a vehicle at all.¹² Counterfeit car parts are prevalent in the

⁸ CNN Business, Fake and dangerous kids products are turning up for sale on Amazon (December 2019), <https://edition.cnn.com/2019/12/20/tech/amazon-fake-kids-products/index.html>.

⁹ National Highway and Traffic Safety Administration, Air Bags (November 2023), <https://www.nhtsa.gov/equipment/air-bags>.

¹⁰ ICE HSI, Counterfeit Goods: A Danger to Public Safety (August 2022) <https://www.ice.gov/features/dangers-counterfeit-items>.

¹¹ Automotive Anti-Counterfeiting Council, A2C2 Counterfeit Parts Testing (November 2023), <https://a2c2.com/counterfeit-testing-video>.

¹² Automotive Anti-Counterfeiting Council Consumer Infographic (May 2023), https://a2c2.com/sites/default/files/A2C2_Infographic-Consumer_v5.0_FINAL%285-3-23%29.pdf.

U.S. market and can threaten the day-to-day safety of American consumers. As with other types of products on this list, CBP and other law enforcement agencies regularly seize shipments of counterfeit auto parts that have been shown to fail, explode, break, or otherwise malfunction and cause serious harm when they do.¹³

Electronics

Consumer electronics and components for electrical equipment and appliances can be another source of danger for consumers if these products are counterfeit. In 2014, the Electrical Safety Foundation International (ESFI) conducted a global survey of over 900 electrical inspectors, contractors, distributors, and manufacturers, and found that a third of all respondents had come across counterfeit products in their profession.¹⁴ In the years since this study, the consumer electronics market has only grown, as more consumers rely on multiple devices for communication and entertainment in their day-to-day lives, and more products, including household goods, utilize sophisticated electronic components. This increase in demand has also led to an increase in potential for these products to be counterfeited. Counterfeit electronics are at risk of overheating, self-igniting, or shorting-out, possibly causing burns or electrical shocks.¹⁵ In 2022, the Federal Bureau of Investigation (FBI) in partnership with the IPR Center issued a warning to the public of “scammers [...] leveraging the vulnerabilities in the global supply chain” to sell counterfeit batteries, noting that “[c]ounterfeit batteries do not go through the same standardized testing as original equipment manufacturer (OEM) batteries and can adversely impact the safety and health of the consumer.”¹⁶

¹³ See CBP Newsroom <https://www.cbp.gov/newsroom/local-media-release/cbp-foils-attempt-smuggle-fake-airbags-china-ontario-international> and <https://www.cbp.gov/newsroom/local-media-release/federal-authorities-arrest-philadelphia-man-who-allegedly-imported>.

¹⁴ See Electrical Safety Foundation, Zero Tolerance for Counterfeits, <https://www.esfi.org/zero-tolerance-for-counterfeits/#Survey> and <https://esfi.org/wp-content/uploads/2021/06/The-Real-Deal-on-Electrical-Counterfeits-Infographic-182E.pdf>.

¹⁵ National Intellectual Property Rights Coordination Center, IPU Operation Surge Protector (January 2019), <https://www.iprcenter.gov/file-repository/ipu-operation-surge-protector.pdf/view>.

¹⁶ Federal Bureau of Investigation, Public Service Announcement (September 2022), <https://www.ic3.gov/Media/Y2022/PSA220930>.

Pharmaceuticals and Other Medical Supplies

The U.S. Food and Drug Administration (FDA) works to keep the U.S. domestic drug supply safe from harmful and counterfeit products. However, counterfeit pharmaceuticals are a growing source of illegal activity. A recent report by the European Observatory on Infringements of Intellectual Property Rights and the Organization for Economic Co-operation and Development (OECD) estimates that the total value of counterfeit pharmaceuticals traded worldwide is \$4.4 billion.¹⁷ The counterfeit pharmaceutical market offers a high profit margin for sellers, and the products require expert examination to detect, making it difficult for law enforcement and consumers alike to identify the potential for danger.

The FDA works with law enforcement to investigate counterfeit drug sales and has found instances of widespread trafficking of counterfeit drugs ranging from everyday cough syrup¹⁸ to anxiety medications,¹⁹ to drugs consumers rely on for treatments for cancer or viral infections.²⁰ Some counterfeit medications may simply be made from inert ingredients and be useless for their intended treatment, but in many instances these pharmaceuticals have been found to contain potentially lethal narcotics like fentanyl²¹ and methamphetamine.²² Without appropriate

¹⁷ OECD/EUIPO (2020), Trade in Counterfeit Pharmaceutical Products, Illicit Trade, OECD Publishing, Paris, <https://doi.org/10.1787/a7c7e054-en>.

¹⁸ U.S. Food and Drug Administration, Nine Indicted in Counterfeit Promethazine-Codeine Drug Trafficking Conspiracy (November 2021), <https://www.fda.gov/inspections-compliance-enforcement-and-criminal-investigations/press-releases/nine-indicted-counterfeit-promethazine-codeine-drug-trafficking-conspiracy>.

¹⁹ U.S. Food and Drug Administration, Florida Man Sentenced for Selling Counterfeit Drugs on the Dark Net (August 2021) <https://www.fda.gov/inspections-compliance-enforcement-and-criminal-investigations/press-releases/florida-man-sentenced-selling-counterfeit-drugs-dark-net>.

²⁰ U.S. Food and Drug Administration, Ukrainian Traffickers Sentenced for Counterfeit Cancer and Hepatitis Drugs (March 2021) <https://www.fda.gov/inspections-compliance-enforcement-and-criminal-investigations/press-releases/ukrainian-traffickers-sentenced-counterfeit-cancer-and-hepatitis-drugs>.

²¹ U.S. Food and Drug Administration, Six Indicted in Drug Conspiracy That Included Production and Distribution of Powerful Synthetic Opioid (April 2019) <https://www.fda.gov/inspections-compliance-enforcement-and-criminal-investigations/press-releases/april-23-2019-six-indicted-drug-conspiracy-included-production-and-distribution-powerful-synthetic>.

²² Department of Justice, United States Attorney's Office, District of Rhode Island, U Cumberland Man to Plead Guilty in Largest Meth-Laced Pill Seizure (September 2022), <https://www.justice.gov/usao-ri/pr/cumberland-man-plead-guilty-largest-meth-laced-pill-seizure>. See also Department of Justice/Drug Enforcement Administration Drug Fact Sheet (May 2021), <https://www.dea.gov/sites/default/files/2021-05/Counterfeit%20Pills%20fact%20SHEET-5-13-21-FINAL.pdf>.

oversight by regulatory agencies, there is no way for consumers to know the quality of the products they are relying on for their health and well-being.

In fiscal year 2022, pharmaceuticals and personal care products made up 67.2% of CBP's counterfeit health and safety products seizures. In 2020, with the onset of the COVID-19 pandemic, CBP saw a huge increase in the number of imports of counterfeit medical supplies including personal protective equipment. Since fiscal year 2020, CBP has seized over 50 million counterfeit N-95 masks, as well as hundreds of thousands of FDA-prohibited test kits and chloroquine tablets.²³

At best, counterfeit pharmaceuticals and other medical products may not work and may cause consumers to waste their money. At worst, these counterfeits have the potential to impede real effective treatment for serious diseases and can cause significant and even lethal harm.

Personal Care Products, Apparel, and Footwear

The market for cosmetics, skin care products, clothing, fashion accessories, and other personal care products is driven by the fast-moving trends of social media, and legitimate name brand companies can capitalize on this to grow a loyal and engaged consumer base. However, this level of consumer interest also makes the fashion and cosmetic industries some of the most popular targets for counterfeiters.²⁴ Consumers may be excited to find their favorite name brand cosmetics at low prices, but should be aware that counterfeit cosmetics have been found to contain dangerous chemicals, bacteria, and even animal waste.²⁵ Not only are consumers at risk of skin rashes and chemical burns,²⁶ some counterfeit cosmetics contain chemicals that have been known to cause cancer and other health issues when absorbed through the skin.²⁷ Even

²³ See IPR Annual Seizures Statistics <https://www.cbp.gov/trade/priority-issues/ipr/statistics>.

²⁴ See IPR Annual Seizures Statistics <https://www.cbp.gov/trade/priority-issues/ipr/statistics>.

²⁵ CNN Health, Police find animal waste in counterfeit makeup – so it's not such a bargain after all (April 2018), <https://www.cnn.com/2018/04/15/health/counterfeit-makeup-seizure-lapd-trnd/index.html>.

²⁶ CBS News, Fake makeup can be an easy buy – and a health hazard (December 2017), <https://www.cbsnews.com/news/fake-makeup-health-hazard-us-customs-and-border-protection/>.

²⁷ New York State, Department of State, Fake Cosmetics and Health Risks (November 2023), <https://dos.ny.gov/fake-cosmetics-and-their-health-risks>.

seemingly innocuous products can be dangerous for consumers if they are made in unsafe environments and contain hazardous ingredients and chemicals. In 2022, the American Apparel and Footwear Association, in partnership with the third-party assurance provider Intertek, tested a number of counterfeit clothing and footwear samples. The tests showed that 36% of the products failed to comply with U.S. product safety standards and “contained dangerous level of arsenic, cadmium, phthalates, lead.”²⁸ Even small amounts of these substances can lead to adverse health outcomes.

II. Enforcement Against Counterfeiting

To help reduce consumers’ exposure to the potential health and safety risks of counterfeit products, more effective criminal and border enforcement against the production, import, export, and distribution of counterfeit goods must be taken. For example, it is important to ensure that penalties, such as significant monetary fines and meaningful sentences of imprisonment, are available and applied to deter counterfeiting. Competent authorities must be able to seize and destroy counterfeit goods when they are detected, as well as the materials and implements used for their production, thereby removing these goods from the channels of commerce and preventing further production.

The United States continues to urge trading partners to provide enforcement officials with *ex officio* authority to seize suspect goods and destroy infringing goods in-country as part of their criminal procedures and at the border during import, export, or in-transit movement. Law enforcement authorities and capabilities to counter such illicit trade should adapt as the methods counterfeiters use to evade detection and interdiction evolve. For example, counterfeiters increasingly use legitimate express mail, international courier, and postal services to ship counterfeit goods in small consignments rather than ocean carrier cargo vessels. Counterfeiters also continue to ship products separately from counterfeit labels and packaging

²⁸American Apparel and Footwear Association, Fashion Industry Study Reveals Dangerous Chemicals, Heavy Metals in Counterfeit Products, (March 2022), https://www.aafaglobal.org/AAFA/AAFA_News/2022_Press_Releases/Fashion_Industry_Study_Reveals_Dangerous_Chemicals_Heavy_Metals_Counterfeits.aspx.

to evade enforcement efforts that are limited by laws or practices that require counterfeit items to be “completed,” which may overlook the downstream application of counterfeit labels.

III. Conclusion

The trademark counterfeit market is not just harmful to brand owners and major companies; the counterfeit products produced also pose significant potential health and safety risks to consumers. Producers of counterfeit goods operate outside of regulations and inspection systems, use substandard materials, and have no incentive to comply with required safety standards. The products created under these conditions can pose serious risks to consumers who may be unaware of the dangers of these everyday items. Adequate and effective enforcement against trademark counterfeiting plays a key role in reducing the potential health and safety risks due to counterfeit products.

Positive Developments

Since the 2022 Notorious Markets List

Since the release of the 2022 Notorious Markets List, there have been notable efforts to address the widespread availability of counterfeit and pirated goods in some online and physical markets. The United States commends these efforts and encourages governments, right holders, service providers, and the owners and operators of these and other markets, including those newly identified in the 2023 NML, to engage in sustained and meaningful efforts to combat piracy and counterfeiting.²⁹

Enforcement Activities: Pirated Content

During the past year, several successful enforcement efforts focused on online piracy markets. Actions against pirate streaming services, including wholesale pirate stream suppliers and resellers of pirate-enabled Internet Protocol television (IPTV) applications and physical illicit streaming devices (ISDs),³⁰ continued this past year. Notably, shortly after a number of joint U.S.-Bulgaria workshops and the announcement by Bulgaria in April 2023 of proposed legislation making it easier to prosecute operators and creators of online piracy sites and services, RARBG announced that it was shutting down.³¹ RARBG, based in Bulgaria, was one of the world's most popular torrent sites and major hub for the release of new content. It was also a perennial offender of copyright laws appearing on the NML every year for the last seven years. At the time of its closure, RARBG received 35 million visits from 3.4 million unique visitors, according to SimilarWeb. The new Bulgarian anti-piracy law took effect in August 2023.

²⁹ References to foreign governments' judicial and law enforcement actions to address piracy and counterfeiting provide helpful factual context to the listings in this year's NML but should not necessarily be interpreted as the U.S. government's endorsement of the particular means used therein.

³⁰ IPTV-based piracy generally occurs by means of an application which can be installed on hardware that is sold directly to the consumer, such as an ISD, or installed directly to a user's own device such as a smart TV, smartphone, tablet, or game console. Pirate IPTV services are often offered on a subscription basis at prices that are far lower than licensed providers could ever offer.

³¹ Torrent freak, RARBG Shut Down in the Middle of a Bulgarian Piracy Crackdown (September 2023), <https://torrentfreak.com/rarbg-shut-down-in-the-middle-of-a-bulgarian-piracy-crackdown-230906/>.

Other examples of successful enforcement efforts include Iraq, where authorities reported that they closed down or eliminated pirated content on four IPTV channels that were previously listed on the NML: Chaloos, Forever IPTV, iStar Media, and Media Star. Additionally, the Argentinian government took action in February against 30 illegal streaming sites in the country that broadcast live events and other infringing content, and in Europe, Europol supported the Dutch Fiscal Information and Investigation Service (FIOD) in taking down an illegal IPTV service serving over 1 million users.³²

The Indonesian government also took active measures against illegal streaming sites which, combined with the growing availability of low-cost legitimate streaming services in the country, have led to a significant shift in consumer behavior. Right holders report that 50% of Indonesian consumers say they either no longer access pirate content, or rarely do, and more than 70% of Indonesian consumers now use legitimate free content.³³ Finally, the fifth phase of Brazil's "Operation 404," with direct operational support from authorities in the United Kingdom, Peru, and other countries resulted in the takedown of 199 piracy streaming and gaming sites and 63 piracy applications, building upon positive results from the fourth phase in 2022.³⁴

In other enforcement efforts, Dutch anti-piracy group BREIN conducted 458 investigations that resulted in the shutdown of 449 piracy sites and services.³⁵ Additionally, the Alliance for Creativity and Entertainment (ACE) reportedly undertook action in France and the United Arab Emirates to shut down Uptobox and Uptostream, two of the online piracy world's most notorious illegal video hosts. These sites received massive viewership across multiple countries, with 1.5

³² Europol, One of Europe's biggest pirate IPTV services taken down in the Netherlands (May 2023), <https://www.europol.europa.eu/media-press/newsroom/news/one-of-europes-biggest-pirate-iptv-service-taken-down-in-netherlands>.

³³ See Asia Video Industry Association, CAP Consumer Survey Shows the Benefits of Site Blocking (March 2022), <https://avia.org/cap-consumer-survey-shows-the-benefits-of-site-blocking/> and Indonesia Continues to Lead the Way in site Blocking (April 2022), <https://avia.org/indonesia-continues-to-lead-the-way-in-site-blocking/>.

³⁴ Torrent Freak, Operation 404: 11 Arrests, Hundreds of Pirate Sites, Apps & Domains Blocked (March 2023), <https://torrentfreak.com/operation-404-11-arrests-hundreds-of-pirate-sites-apps-domains-blocked-230315/>.

³⁵ BREIN, Annual Report 2022, <https://stichtingbrein.nl/annual-report-2022/>.

billion visits over the last three years.³⁶ ACE worked with law enforcement authorities in Egypt to shut down EGY.best, a popular piracy site featured on previous NML lists, as well as a number of additional streaming sites. Right holders reported that this action had a positive impact on the copyright landscape throughout the region. ACE also worked with law enforcement and judicial authorities in several countries to shut down one of Latin America's most notorious illegal streaming services, Cuevana3, which was listed on the NML in 2021 and 2022.³⁷ In June, ACE successfully took down the pirate content management system 2embed, based out of Vietnam. The 2embed service had been used by at least 520 popular streaming sites with the vast majority using 2embed as their exclusive content source. The combined traffic of all streaming sites using 2embed totaled in excess of 1.2 billion visits in Q1 2023 according to SimilarWeb.³⁸ Both of these sites have since reappeared under related domains and are again featured on this year's NML. The enforcement actions against Cuevana3 and 2embed, and their subsequent reemergence, highlight the importance of pursuing piracy site owners and operators, in addition to shutting down the websites, in order to target the root of infringing content and illegal conduct.

Enforcement Activities: Counterfeit Goods

Regarding physical marketplaces, several countries have significantly stepped-up enforcement efforts and coordination with right holders to effectively reduce counterfeit activity. In Chile this year, the Intellectual Property Brigade (BRIDEPI) has engaged in large-scale investigations in IP crime and related illegal activity. The organization has confiscated items ranging from counterfeit art to power tools. A recent investigation concluded with the seizure of more than 200,000 items, as well as criminal charges against a number of individuals allegedly engaged in a network of counterfeiting and other criminal activity. BRIDEPI recently raided a

³⁶ Alliance for Creativity and Entertainment, ACE Shuts Down Massive-scale Illegal Video Hosting Services in France (September 2023) <https://www.alliance4creativity.com/news/ace-shuts-down-massive-scale-illegal-video-hosting-services-in-france/>.

³⁷ Alliance for Creativity and Entertainment, ACE Shuts Down Latin America's Largest Illegal Streaming Service (July 2023), <https://www.alliance4creativity.com/news/ace-shuts-down-latin-americas-largest-illegal-streaming-service/>.

³⁸ Torrent Freak, ACE Hits Hundreds of Pirate Streaming Sites By Shutting Down 2Embed (July 2023), <https://torrentfreak.com/ace-hits-hundreds-of-pirate-streaming-sites-by-shutting-down-2embed-230704/>.

factory in Santiago with counterfeit cell phones that were laser-branded with fake logos, claiming the total merchandise confiscated was worth over \$8 million.

French Customs also reported a 26% increase in the number of counterfeit seizures over the previous year, with a 250% increase in the number of counterfeit toys and games seized through strong partnerships with leading e-commerce sites. Law enforcement in France also coordinated with local officials and right holders to increase the number of counterfeit raids at physical markets and warehouses. Right holders have also highlighted positive efforts to increase training among local law enforcement officers to recognize counterfeit goods.

In addition, local police in Manchester, United Kingdom began Operation Vulcan, an ambitious three-year plan to combat the counterfeit goods trade and associated organized crime. Since November 2022, local authorities have seized over 1,100 tons of counterfeit items with an estimated value of more than \$166 million from the areas of Cheetham Hill and Strangeways. More than 200 counterfeit shops have been shut down, over 100 warrants executed, and 221 people arrested in connection to a range of offences in the area, including false imprisonment, trademark offenses, and possession with intent to supply. Violent crime and public order offences in the area have been reduced by 50 percent. Similar efforts are underway at the Camden market. In August 2023, local law enforcement seized approximately \$6.1 million in counterfeit goods and made three arrests during raids in Camden. According to police, Camden is very likely to see further major raids in the future as counterfeiting has grown there, potentially in response to significant enforcement activity driving counterfeiters away from Cheetham Hill.

Studies and Reports

Several studies this year addressed global trade in counterfeit and pirated goods. For example, the Center for Anti-Counterfeiting and Product Protection (A-CAPP) released a report examining the prevalence of counterfeit purchase behaviors and what predicts past purchase

and future purchase intentions.³⁹ This is the first study of its kind, which polled over 13,000 consumers from 17 countries regarding their perceptions and behaviors as they relate to buying counterfeit products online.

The EU Intellectual Property Office (EUIPO) published a report titled Online Copyright Infringement in EU 2023,⁴⁰ which examines consumption of copyright-infringing content in the 27 EU Member States for TV, music and film during the period 2017-2022, including publications and software from desktop and mobile devices.

In February, MUSO, a private technology company, released The Film and TV Piracy Report 2022.⁴¹ This report provides data and analysis of the piracy landscape around the globe, highlighting piracy trends in the in the film and television industries.

The United States commends these efforts, appreciates studies being done in this area, and encourages its trading partners to continue their individual and collective efforts to combat counterfeiting and piracy.

³⁹See Alhabash, S., Kononova, A., Huddleston, P. Moldagaliyeva, M., & Lee, H. (2023). Global Anti-Counterfeiting Consumer Survey 2023: A 17 Country Study. East Lansing, MI: Center for Anti-Counterfeiting and Product. A-CAPP is housed at Michigan State University; more information can be found at <https://a-capp.msu.edu/>.

⁴⁰ European Union Intellectual Property Office, Online Copyright Infringement in EU 2023 (September 2023) <https://www.euipo.europa.eu/en/publications/online-copyright-infringement-in-eu-2023>.

⁴¹ MUSO, The Film and TV Piracy Report (February 2023), https://www.ctam.com/wp-content/uploads/MUSO-2022-Film-And-TV-Piracy-Report.pdf?access_pid=MjM1IzY0NjNhNDYxMWVhYXVQ.

Results of the

2023 Review of Notorious Markets

The Notorious Markets List identifies prominent and illustrative examples of online and physical markets in which pirated or counterfeit goods and services reportedly are available or that facilitate, turn a blind eye to, or benefit from substantial piracy and counterfeiting. It does not constitute a legal finding of a violation or an analysis of the general IP protection and enforcement environment in any country or economy. The NML is not an exhaustive inventory of all notorious markets around the world. Markets on the NML are drawn from the many nominations received as well as other input, such as from U.S. embassies, in order to highlight prominent examples of both online and physical markets where pirated or counterfeit goods and services reportedly are trafficked to the detriment of legitimate trade in IP-intensive goods and services.

Owners and operators of notorious markets that are willing to address counterfeiting and piracy have many options for doing so. Such owners and operators can, for example, adopt business models that rely on the licensed distribution of legitimate content and can negotiate appropriate licenses with right holders. If an otherwise legitimate business has become a platform for piracy or counterfeiting, the owner or operator can work with right holders and law enforcement officials to help discourage and curtail acts of infringement. Industry groups have developed a variety of best practices that can help combat counterfeiting and piracy.⁴² In the absence of good faith efforts, responsible government authorities should investigate reports of piracy and counterfeiting in these and similar markets and pursue appropriate action against such markets and their owners and operators. Governments should also ensure that appropriate

⁴² E.g., International Trademark Association, Addressing the Sale of Counterfeits on the Internet (June 2021), https://www.inta.org/wp-content/uploads/public-files/advocacy/committee-reports/Addressing_the_Sale_of_Counterfeits_on_the_Internet_June_2021_edit.pdf; ICC/BASCAP, Roles and Responsibilities of Intermediaries: Fighting Counterfeiting and Piracy in the Supply Chain (Mar. 2015), <https://2go.iccwbo.org/roles-and-responsibilities-of-intermediaries-fighting-counterfeiting-and-piracy-in-the-supply-chain-2015.html>.

enforcement tools are at the disposal of right holders and government authorities, which may require closing loopholes that permit operators to evade enforcement actions.

Online Markets

The 2023 Notorious Markets List identifies examples of various technologies,⁴³ obfuscation methods, revenue models, and consumer harms associated with infringing activity. USTR bases its selections not on specific types of technologies, but on whether the owners, operators, or users of a nominated market or affiliated network of markets reportedly engage in or facilitate substantial piracy or counterfeiting to the detriment of U.S. creators and companies.

Many of those who submitted public comments this year highlighted the complex ecosystem—including domain name registries and registrars, reverse proxy and other anonymization services, hosting providers, caching services, advertisers and advertisement placement networks, payment processors, social media platforms, search engines, and network management infrastructure—that providers of pirated content abuse. Each component in this ecosystem can play a role in facilitating or reducing piracy, which in 2019 cost the U.S. economy an estimated \$29.2 billion in lost revenue.⁴⁴

The NML this year reflects right holders concerns with the continued prevalence of cyberlocker sites to facilitate the storage and distribution of pirated content. Cyberlockers act as the hosting and content storage sites for the world's most popular piracy streaming and linking websites. The streaming sites highlighted in this year's NML depend on the storage capabilities of the cyberlockers also listed here. Right holders emphasized that cyberlocker sites typically depend on advertising for revenue and are thus incentivized to drive more traffic to their sites by offering popular copyright-protected content for free. Many sites also offer a tiered revenue

⁴³ For simplicity, the NML uses terminology that links alleged copyright and trademark infringement to specific technologies (e.g., websites). However, the focus of the NML is on the actions of owners, operators, or users that engage in or facilitate infringement using the technologies, not on the underlying technologies themselves.

⁴⁴ Global Intellectual Property Center, Impacts of Digital Piracy on the U.S. Economy (June 2019), <https://www.theglobalipcenter.com/wp-content/uploads/2019/06/Digital-Video-Piracy.pdf>.

sharing system to reward the uploaders of their most popular content, further incentivizing content contributors to continue uploading protected works, including pre-release material. Some cyberlocker sites do offer a takedown reporting system but typically do no proactive monitoring to stop the uploading, sharing and re-sharing of pirated and infringing content. Content reporting often requires right holders to monitor the thousands of streaming and sharing sites that link back to the cyberlocker, with no restrictions to stop content from being re-uploaded after its removal.

Right holders also continued to express their concerns with the number of piracy sites utilizing “bulletproof” Internet service providers (ISPs) to facilitate their infringing activities. Bulletproof ISPs are characterized by terms of service that often explicitly advertise leniency in allowing their customers to upload and distribute infringing content. Right holders have for several years expressed concerns with bulletproof ISPs, and in 2023, as with previous years, several submissions noted that the reliance of pirate sites on these ISPs made it increasingly difficult for right holders to remove infringing content. This is especially true where ISPs disguise their ownership and locations, and refuse to respond to right holders’ communications and takedown requests.

Additionally, the NML this year continues to highlight ongoing concern from right holders about the proliferation of counterfeit sales facilitated by the confluence of e-commerce platforms and social media. This rising trend has coincided with the continued growth of e-commerce and the increased movement of many physical sellers to predominantly online platforms. Right holders state that while certain e-commerce and social commerce (social media sites with integrated e-commerce ecosystems) platforms have taken positive steps to implement anti-counterfeiting policies, many others still lack adequate anti-counterfeiting policies, processes, and tools such as identity verification, effective notice-and-takedown procedures, proactive anti-counterfeiting filters and tools, and strong policies against repeat infringers.

Right holders continued to express concern about fraudulent advertisements and links to fake websites misleading users into unknowingly purchasing counterfeit products through both e-commerce and social commerce platforms. In 2023, as with in previous years, several

submissions highlighted a popular trend with social commerce platforms being used to facilitate sales of products openly known to be counterfeits. Right holders noted the increasing popularity of social media influencers who review, promote, and share links to counterfeit luxury products, intentionally driving their viewers to purchase counterfeit goods through pages linked in their social media profiles. E-commerce and social commerce platforms can continue to address these types of concerns by adopting strong and effective IP enforcement policies, increasing transparency and collaboration with right holders to quickly address complaints, and working more closely with law enforcement to identify IP infringement.

However, this year many e-commerce and social commerce platforms took solid steps toward initiating additional anti-counterfeiting practices and adapting to new circumvention techniques used by counterfeiters. Several platforms filed public submissions outlining their implementation of new anti-counterfeiting tools, including releasing educational campaigns, increasing identity verification requirements, and implementing faster and more transparent notice-and-takedown processes. Additionally, several platforms have invested in artificial intelligence (AI) and machine learning technologies as a way to scale up and quickly adapt traditional anti-counterfeiting measures such as text and image screening. As e-commerce platforms and industry associations continue to become more transparent and forward-leaning with their anti-counterfeiting practices, an opportunity exists to collaboratively establish industry best practices, create standard counterfeit-related measurements, and find ways to counteract the ever-changing methods of those that manufacture, distribute, and sell counterfeit goods. Reducing the availability of counterfeit goods online should be viewed as an industry-wide goal.

1337X

Nominated as 1337x.to. Related sites include 1337x.tw. Utilizes reverse proxy services to mask the location of its hosting servers.

The torrent website 1337x provides links to torrent files, which are small files that contain the information necessary to download unlicensed movies, television shows, music, videogames, software, and other copyright-protected files through the BitTorrent protocol. Variants of the site have been subject to blocking orders in Australia, Austria, Belgium, Denmark, India, Indonesia, Ireland, Italy, Malaysia, Portugal, and the United Kingdom.

1FICHER

Nominated as 1fichier.com. Related sites include alterupload.com, cjoint.net, desfichiers.com, dl4free.com, megadl.fr, and tenvoi.com. Hosted in France.

This cyberlocker⁴⁵ is popular in France and reportedly makes premium pirated content, such as unlicensed movies and video games, available to the public. Despite a criminal conviction against the France-based administrator of the site, including a one-year suspended prison sentence and significant fines, right holders state that the site has failed to come into compliance. The site was also found liable in French civil court for failing to remove or block access to infringing content. Right holders continue to raise concerns about 1fichier's low response rate to notice-and-takedown requests, and one right holder has reported a response rate of 23.85%. This reportedly not only attracts more unauthorized uploaders but also benefits linking websites that index links to content hosted on 1fichier.

2EMBED

Nominated as 2embed.me. Related sites include 2embed.cc and 2embed.org. Utilizes reverse proxy services to mask the location of its hosting servers.

2embed is a pirate content management system that allegedly provides a large library of infringing content obtained by crawling many infringing websites and search engines and

⁴⁵The cyberlockers identified in the NML reportedly operate primarily to provide users with access to unauthorized copyright-protected content.

scraping infringing content. It offers its database to other illicit streaming websites and pirate IPTV apps, which can either use 2embed's services for free (in which case 2embed monetizes the infringing content by inserting advertisements into the streams) or by paying to insert their own ads. Despite successful enforcement action in July 2023 by right holders and anti-piracy trade associations to shut down 2embed.to, which was run from Vietnam, the site is now operating again using different domains. 2embed is an example of a "piracy-as-a-service" provider that significantly contributes to the global trade in pirated content by offering services that make it easy for other bad actors to create, operate, and monetize fully functioning piracy operations.

AMARUTU

Also known as Amarutu Technology Ltd or KoDDos.

Amarutu is a so-called "bulletproof" hosting provider that provides offshore hosting for criminal activity. Some of the biggest piracy sites use Amarutu services, and right holders state that Amarutu ignores the takedown requests that it receives. The dedicated server page of Amarutu's website advertises that "[Digital Millennium Copyright Act] messages will be forwarded to the client for resolution but in most cases action is not required." Amarutu claims to have an address in Hong Kong, China, and right holders report the site has data centers in Hong Kong and the Netherlands and is registered in the Seychelles.

ANIWATCH

Nominated as aniwatch.to. Reportedly based in Vietnam but utilizes reverse proxy services to mask the location of its hosting servers.

Aniwatch, which reportedly became one of the most popular pirate streaming sites in the world this year, also is reportedly a rebrand of a previously popular site, zoro.to. In July 2023, right holders and anti-piracy trade associations shut down zoro.to, which was run from Vietnam, and thereafter the site apparently was rebranded as aniwatch.to. Stakeholders report that the Aniwatch site provides pirated versions of popular movies and television, particularly anime.

AVITO

Nominated as avito.ru.

Avito is a Russia-based classified advertisements platform that reportedly offers large volumes of advertisements for counterfeit products offered for sale. Several right holders have reported difficulty in obtaining takedowns of the advertisements, with the site requiring detailed evidence of infringement, including sometimes a side-by-side comparison of genuine and counterfeit products, to obtain removal. Additionally, right holders note a lack of proactive measures or other effective procedures to deal with repeat infringers, with many of the listings reappearing shortly after being taken down. Finally, right holders report a lack of collaboration on the part of Avito with right holders or trade associations in implementing effective policies to prevent advertisements of counterfeit products.

BAIDU WANGPAN

Nominated as pan.baidu.com. Headquartered in China.

This cloud storage service is operated by Baidu, the largest search-engine provider in China. Users of this service are able to share links to files stored on their accounts with other users, and infringing content is reportedly disseminated widely through social media and other piracy linking sites. Although Baidu has several tools to take down unauthorized content, according to right holders, procedures for filing complaints are applied unevenly and lack transparency. Additionally, takedown times are reportedly lengthy, and right holders often have to repeatedly follow-up with Baidu to ensure that pirated content does not reappear on the platform. Right holders report little progress in Baidu's actions to suspend or terminate repeat infringers.

BESTBUYIPTV

Nominated as bestbuyIPTV.store. Related sites include bestbuyiptv.vip and iptvlight.net. Reportedly based in Vietnam, but utilizes reverse proxy services to mask the location of its hosting servers.

An increasingly popular form of online piracy is IPTV services that provide pirated audiovisual content, including movies and television series, through subscription services.

BestBuyIPTV offers illicit IPTV channels from broadcasters globally, and it is compatible with most platforms and operating systems. BestBuyIPTV reportedly offers over 10,000 unauthorized channels from 38 countries and also provides reseller and re-streamer services, with over 900,000 users, 12,000 resellers, and 2,000 re-streamers globally. Several right holders have connected the site's operators to Vietnam, but the site uses reverse proxy services to mask the location of its hosting servers.

BUKALAPAK

Nominated as bukalapak.com. Also available as a mobile app. Based in Indonesia.

Bukalapak was founded in 2010 and is one of the largest e-commerce markets in Indonesia. This website provides a platform for third-party sellers to connect with buyers, and these sellers offer a wide variety of products, including apparel and footwear, luxury goods, consumer electronics, sporting goods, and pharmaceutical products. Right holders noted an increased level of engagement with Bukalapak in recent years but highlighted that there has been a lack of resources for anti-counterfeiting efforts and little impact on the volume of counterfeit goods available on the platform. Although right holders note some improvement in Bukalapak's notice-and-takedown process and average response time for complaints, they also raised concerns about the lack of deterrent penalties against violators, especially repeat offenders.

CUEVANA3

Nominated as cuevana3.ch. Related sites include go.cuevana3.news, cuevana3.pro, cuevana3.ma, cuevana3.media, and cuevana3.nu. Utilizes reverse proxy services to mask the location of its hosting servers.

Cuevana is the most popular piracy site in Latin America and offers Spanish-language content, including more than 7,000 unlicensed television and movie titles. The site has been active since at least 2020 and relies on cyberlockers for the underlying content. The website monetizes its infringing content through advertising services. Cuevana's use of multiple domains has allowed variants of the site to remain operational. Despite successful enforcement efforts

that enabled right holders to take control of 22 domain name variants in 2023, mirror sites were able to quickly re-emerge under new domains.

DDOS-GUARD

Nominated as ddos-guard.net.

DDoS-Guard is an entity reportedly based out of Russia that offers various services including “bulletproof” hosting. According to right holders, it does not respond to takedown requests. DDos-Guard hosts a number of the most notorious cyberlockers and streaming and downloading sites offering pirated content in the world.

DHGATE

Nominated as dhgate.com. Also available as a mobile app. Headquartered in China.

DHgate is one of the largest business-to-business cross-border e-commerce platform in China, although it primarily serves purchasers outside of China. This year, DHgate has reported continued and new initiatives to enhance procedures for seller screening and proactive monitoring of counterfeit listings, and right holders note some improvements to DHgate’s engagement and enforcement efforts. DHgate has reportedly introduced a dedicated review process to tackle repeat infringement by levying harsher penalties against repeat offenders, such as immediate termination of their accounts. One right holder reported that DHgate is cooperative with takedowns. However, several right holders still highlighted a high volume of counterfeits available on the site. One right holder reported that 100% of the products found through a brand keyword search were identified as counterfeits. Right holders continue to express concerns with DHgate’s cumbersome reporting process, inadequate seller vetting, and high levels of recidivism on the site, noting that brands send tens of thousands of takedown notices each month, with no apparent impact on the marketplace content. Right holders did acknowledge DHgate’s recent implementation of a seller-vetting process, but emphasized that the seller identification documents are regularly falsified. Sellers of counterfeit goods reportedly continue to evade detection by blurring logos and using code words, as well as recently adopting

the practice of using hidden links in social media posts by influencers to conceal the counterfeit nature of the goods they offer. Given continuing right holder concerns, DHgate should further explore enhanced controls in their seller vetting process, increased monitoring for repeat offenders, and continued investment in detection and proactive takedown methods.

FLOKINET

“Bulletproof” hosting providers like FlokiNET support infringing websites by refusing to respond to notices of infringing activity and by failing to cooperate with right holders and law enforcement. FlokiNET’s website explicitly allows anonymous hosting of content, stating, “We do not require any personal details or identification, any valid e-mail address is enough information to be our client.” FlokiNET reportedly has servers in Finland, Iceland, the Netherlands, and Romania and hosts many websites associated with copyright infringing activity.

FMOVIES

Nominated as fmovies.to. Related sites include Bmovies, 9anime, Putlocker, Solarmovies, and associated domains. Utilizes reverse proxy services to mask the location of its hosting servers.

Fmovies is reportedly one of the most popular websites in the world for streaming pirated copies of popular movies and television shows directly to computer desktops, mobile phones, or through IPTV apps on illicit streaming devices. The continued listing of Fmovies in the NML demonstrates the ongoing challenges of combatting streaming piracy. This site reportedly has more than 60 associated domains used by significant piracy operations such as Bmovies, 9anime, Putlocker and Solarmovies and, according to right holders, likely sources files from the streaming piracy service VidSRC.to. Fmovies is blocked in India, Australia, Denmark, Indonesia, Malaysia, and Singapore. Yet the site’s popularity continues to grow. It reportedly received 119 million site visits globally from 9.2 million unique visitors in August 2023.

GENIPTV

Nominated as genip.tv.

GenIPTV is one of the largest IPTV providers in the world, reportedly operating through multiple affiliates to sell subscriptions for access to over 10,000 broadcast and streaming channels as well as a video library of over 52,000 copyright-protected titles. According to its website, GenIPTV offers not only the “Latest Movies & Series” on multiple supported devices but also live sports and 24/7 online support.

INDIAMART

IndiaMART, a high-volume e-commerce website and mobile app that connects buyers with suppliers, describes itself as the largest online business-to-business marketplace in India. IndiaMART continues to take positive steps, including offering a dedicated IP online complaint form and multiple additional ways for right holders to file notices about counterfeits, reducing response times for takedown requests, and instituting a multi-layer seller verification process. However, the large volume of counterfeit goods still available on IndiaMART, including pharmaceuticals, electronics, and apparel, indicates that additional actions to implement anti-counterfeiting best practices are needed. Right holders remain concerned about the lack of proactive monitoring for infringing goods and an absence of clear certifications by sellers, beyond acceptance of the terms of use, that they have a right to sell what they are selling either by license or by law.

KRAKENFILES

Nominated as Krakenfiles.com

This cyberlocker is a major source of infringing content, particularly pre-release music. Additionally, the site operator reportedly runs an associated forum site with links to Krakenfiles content where users can download pirated music tracks and albums. Traffic to the site has increased significantly this year.

LIBGEN

Nominated as libgen.rs. Related sites include libgen.is, libgen.me, libgen.st, library.lol, annas-archive.org, annas-archive.gs, and other mirror sites. Reportedly operated from Russia.

Libgen, also known as the “Library Genesis Project,” hosts a large number of digital copies of books, manuals, journals, and other works, many of which are unauthorized copies of copyright protected content. According to Libgen, the site hosts 2.4 million non-fiction books, 80 million science magazine articles, 2.2 million fiction books, and 2 million comic strips. Libgen sites are subject to court orders in Belgium, Denmark, France, Germany, Italy, Portugal, Russia, Spain, Sweden, the United Kingdom, and the United States. In 2022, U.S. law enforcement seized hundreds of mirror site domains associated with Libgen. The site is also the subject of a recent lawsuit filed by major U.S. publishers alleging copyright infringement.

NSW2U

Nominated as nsw2u.com. Related sites include game-2u.com, ps4pkg.com, and BigNGame.com.

This site is a popular website to access links to download unauthorized copyrighted videogame content, including pre-release content. The site generates income through advertising and links to other gaming platforms. The site reportedly utilizes multiple alternative domains to evade enforcement actions and does not respond to take down notices. Nsw2u is subject to blocking orders in the United Kingdom, with similar enforcement activity underway in Spain, Italy, and Portugal.

PELISPLUS

Nominated as pelisplus.icu. Related sites include pelisplushd.to, pelisplushd.lat, pelisplus.in, and pelisplus.ai. Reportedly based in Mexico but utilizes reverse proxy services to mask the location of its hosting servers.

Pelisplus offers a content management system library service—a database that provides access to pirated movies and television series elsewhere in exchange for payment of a fee or other compensation—and also streams its own catalog of pirated movies and television shows. Pelisplus operates in Spanish and remains very popular in Latin America. The site monetizes its service through advertising, as well as by reselling its library to additional site operators. In

October 2023, right holders shut down pelisplus.lat, one of the numerous Pelisplus domains. According to right holders, at that time, pelisplus.lat was among the top 25 most visited Spanish-language pirate sites.

PINDUODUO

Nominated as pinduoduo.com. Also available as a mobile app. Headquartered in China.

Pinduoduo, a social commerce app, is one of the largest e-commerce platforms in China. Stakeholders continue to indicate concerns about Pinduoduo's unwillingness to engage with brand owners to resolve issues or develop improved processes. Although the platform claims to have implemented anti-counterfeiting initiatives this year to assist with accurate product descriptions and combat misinformation from merchants, right holders convey that a lack of proactive measures to screen sellers and listings persists. Longstanding issues remain, with onerous evidentiary requirements and excessive delays in takedowns of up to two weeks, as well as lack of transparency with penalty mechanisms and decisions rejecting takedown requests.

This year, right holders noted a further deterioration of Pinduoduo's already ineffective seller vetting, raising concerns about the platform's reported practice of labeling sponsored listings as "authorized sellers," giving the appearance of legitimacy to counterfeit products and misleading consumers into believing that they are purchasing from the legitimate manufacturer or a licensed distributor. Right holders also continue to report difficulties in receiving information and support from Pinduoduo in pursuing follow-on investigations to uncover the manufacturing and distribution channels of the counterfeit goods.

RAPIDGATOR

Nominated as rapidgator.net. Related sites include rg.to. Reportedly operated from Russia.

Right holders report that Rapidgator, one of the largest file sharing websites in the world, hosts unlicensed high-quality, recent, and pre-release content. Other notorious markets use Rapidgator to host their pirated content. Rapidgator collects revenue through its premium membership and subscription plans and employs rewards and affiliate schemes to compensate

users based on downloads and sales of new accounts. Rapidgator reportedly takes down some infringing content, but there are no proactive measures in place to prevent the upload of infringing content, and content is frequently reuploaded and disseminated. Right holders report that, according to the Google Transparency Report, Google has received delisting requests for more than 48 million Rapidgator URLs. German courts in 2018 and 2019 reportedly issued preliminary decisions finding Rapidgator liable for copyright infringement, and a Russian court in 2019 ordered ISPs to block access to the website. This year trade associations from the music, television, and book publishing industries all nominated Rapidgator for continued inclusion on the 2023 NML.

RUTRACKER

Nominated as rutracker.org. Hosted in Russia.

Rutracker remains one of the most popular torrent sites in the world, even though it does not provide access to the public and requires users to register an account with a username and password. In August 2023, Rutracker reportedly had 44.6 million visits from 7.7 million unique visitors. The site provides access to pirated movies, television shows, software, electronic games, and other copyright-protected works. It is reportedly subject to blocking orders in Australia, Denmark, Greece, Indonesia, Italy, Malaysia, Portugal, Russia, and Singapore.

SAVEFROM

Nominated as savefrom.net. Related sites include savef.net, savefrom.live, savefrom.app, save-from.net, savefrom.best, and save-from.biz.

Savefrom is a popular stream-ripping site that circumvents the content protection measures on sites such as YouTube and provides content directly to users from those sites, allowing the user to save the video and audio to their devices. In April 2020, Savefrom stated that, due to “attacks by certain US copyright holders,” it was terminating its services in the United States. It has also reportedly terminated services in the United Kingdom and Spain. However, it continues to operate in other countries and, as of October 2023, it had received nearly 1.3 billion visits globally. The site is currently blocked in Denmark.

SCI-HUB

Nominated as sci-hub.se. Related sites include sci-hub.ru, sci-hub.st, annas-archive.org, and annas-archive.gs. Reportedly hosted and operated from Russia.

Right holders continue to report that Sci-Hub and its mirror sites facilitate unauthorized access to over 88 million journal articles and academic papers, which comprise at least 90% of all toll-access published journal articles, a proportion greater than what is available legally to major institutional subscribers. Right holders state that Sci-Hub obtains these articles by using hijacked proxy credentials to allow remote users to illegally access various university intranet systems and university databases. The copyright-protected material obtained by Sci-Hub is reportedly stored on Sci-Hub servers as well as cross-posted to Libgen, another notorious market. Right holders state that the site appears to be funded through both donations as well as cryptocurrency. Sci-Hub is reportedly subject to blocking orders in Belgium, Denmark, France, Germany, Italy, Portugal, Russia, Spain, and Sweden and is the subject of similar enforcement activity in India that is currently unresolved. U.S. right holders secured several court judgments against Sci-Hub in 2015 and 2017, resulting in the suspension of its U.S.-administered domains.

SHABAKATY

EarthLink Telecommunications, the largest Internet service provider in Iraq, reportedly offers unauthorized access to pirated television shows, movies, and music from a series of smartphone apps called Shabakaty as well as from its website, shabakaty.com. According to the Shabakaty website, users can watch and download thousands of high-definition movies and television series translated into Arabic; watch 100 channels with sports and exclusive television programs; download games, books, and software; and listen to thousands of songs. EarthLink offers this piracy service to subscribers of its Internet service for no additional charge. While Shabakaty can only be accessed from within Iraq, in August 2023 alone, it attracted 3.98 million visits from 194,700 unique visitors.

SHOPEE

Nominated as shopee.com. Also available as a mobile app. Headquartered in Singapore.

Shopee is an online and mobile e-commerce market based in Singapore with individual country-focused platforms serving Indonesia, Malaysia, the Philippines, Singapore, Thailand, Taiwan, and Vietnam, as well as Brazil, Chile, Colombia, and Mexico. Shopee has reported significant investment in its brand protection and anti-counterfeiting capacity over the past year, including the expansion of its one-stop brand IP portal from an initial pilot to all right holders and a new brand protection partnership program to bolster proactive screening measures. Shopee also highlighted the increase in proactive screening efforts by its dedicated teams operating in local languages and deepening partnerships with stakeholders. Right holders acknowledged the platform's industry engagement efforts, observing faster takedowns and decreased visibility of counterfeit listings. One industry group highlighted its successful partnership with Shopee to apply a data science model to remove listings for counterfeit pharmaceuticals and provide training initiatives for law enforcement authorities and other stakeholders.

Despite positive progress in reporting procedures and takedown turn-around time, right holders noted that these improvements have not materialized consistently across all Shopee platforms. Right holders continued to report high volumes of counterfeits across some of Shopee's platforms, with complaints about persistent communication issues, slow response times, and weak enforcement against repeat infringers, particularly for Shopee Brazil and Shopee Indonesia. Shopee Brazil is also being investigated by the Rio de Janeiro Consumer Protection Service for the sale of alleged counterfeit and pirated products on the platform. Shopee's Taiwan and Vietnam platforms appear to be positive examples of better engagement with right holders and improved cooperation with law enforcement that have resulted in a low level of counterfeit goods being available for purchase. Right holders look forward to the continued development of Shopee's brand protection program and urge continued investment across all of its platforms to improve its procedures for vetting sellers, increase penalties, and cooperate with right holders in law enforcement investigations.

SPIDER

Website located at spiderreceiver.com

Spider, based in Amman, Jordan, distributes its Spider-branded ISDs through online and physical stores across the Middle East, North Africa, and Europe. These ISDs reportedly come pre-loaded with pirate IPTV apps, and the company also sells subscriptions to pirate IPTV services through its website. The devices, apps, and subscriptions provide unauthorized access to live sports streams, television channels, time-shifted television programs, and on-demand movies and television shows. In 2018, DISH Network LLC filed a copyright infringement lawsuit against U.S. distributors of Spider ISDs, obtaining damages as well as a permanent injunction barring the site from operating in the United States.

SQUITTER

Nominated as squitter.eu.

Right holders report that Squitter Networks or ABC Consultancy, another “bulletproof hosting provider,” hosts a number of online piracy services, including several sites highlighted in this list. Squitter’s domain registration suggests it may be in the Netherlands, but physical addresses associated with Squitter point to various other countries. Despite stakeholder investigations, the true locations of the site and associated companies are unknown. The site additionally appears to control Internet Protocol (IP) addresses assigned to several different countries. Right holders state that Squitter has ignored thousands of takedown notices and does not respond to any communications. An associated domain reportedly advertised “[Digital Millennium Copyright Act] ignored” hosting as a service. Squitter appears to be a “stealth bulletproof” provider attempting to operate as anonymously as possible.

SSYOUTUBE

Nominated as ssyoutube.com

Ssyoutube is reportedly the most popular YouTube ripping site globally, with over 343 million visitors just in April 2023. Among other things, stream ripping sites enable users to easily

download music video and tracks from YouTube and similar sites. Stream ripping is a popular method for obtaining unauthorized copyright-protected music.

STREAMTAPE

Nominated as streamtape.com. Reportedly hosted in France.

Streamtape is a popular video hosting service that offers unlimited storage and bandwidth. According to its website, Streamtape offers a partner program that allows content uploaders to earn money for every 10,000 downloads or streams of their content. As a result, Streamtape has become a popular platform for sharing infringing content. In August 2023 alone, Streamtape reportedly had 27.22 million visits from 9.5 million unique visitors.

TAOBAO

Nominated as taobao.com. Headquartered in China.

Taobao is Alibaba's platform for Chinese consumers and one of the largest e-commerce platforms in the world. Alibaba has proactively engaged with right holders and the U.S. Government to improve its anti-counterfeiting processes and tools across its platforms, including Taobao. Alibaba also highlighted its ongoing collaboration with enforcement authorities to combat counterfeits, particularly partnerships to prevent the sale of fraudulent COVID-19 related items. However, a recent structural reorganization by Alibaba has left right holders concerned that the platform has fewer anti-counterfeiting resources and organization. Although right holders recognized Alibaba's investment in anti-counterfeiting measures and industry engagement efforts in recent years, they also reported high concentrations of counterfeit products and an uptick in pirated goods, such as PDF copies of books. Right holders highlighted the need for a clear channel to address IP issues, with improvements to address challenges navigating the site's infringement reporting process and the stringent criteria required for takedown notices, such as the requirement to identify specific piracy indicators within listings that infringers have kept deliberately vague. Alibaba contends that its automated reporting platform is user friendly and only requires right holders to upload registration certificates to

prove their rights or document their unregistered copyrights by filling out a specific form. Right holders also reported concerns with the seller vetting process, particularly suppliers under Taobao's own "Tao Factory" store that remain listed despite repeated complaints. Although Alibaba describes its policy of allowing a seller that had one store closed for repeated IP infringement to operate other stores, and not automatically closing the other stores as an evidence-based system, this policy places onerous burdens on right holders. USTR will continue to monitor the transparency and effectiveness of Taobao's anti-counterfeiting efforts, including the evidentiary requirements for takedown requests.

THEPIRATEBAY

Nominated as thepiratebay.org. Utilizes reverse proxy services to mask the location of its hosting servers.

As one of the first BitTorrent indexing websites and one of the most vocal in openly promoting piracy, ThePirateBay reportedly remains one of the most frequently visited BitTorrent websites in the world. ThePirateBay is available in 35 languages and serves a global market, and has used multiple alternative domains hosted globally. Authorities in Argentina, Australia, Austria, Belgium, Denmark, Finland, France, Iceland, India, Indonesia, Ireland, Italy, Malaysia, the Netherlands, Norway, Portugal, Singapore, Spain, and the United Kingdom have issued orders blocking access to this site. Right holders report that this site does not respond to takedown requests.

TORRENT GALAXY

Nominated as torrentgalaxy.to. Related sites include torrentgalaxy.mx, torrentgalaxy.buzz, tgx.rs, and tgx.sb. Reportedly hosted in Romania.

Torrent Galaxy is a popular BitTorrent streaming site that grew after another popular site, ExtraTorrent, shut down in 2018. In addition to torrent downloads, Torrent Galaxy also offers streaming for some content. After the shutdown of RARBG, one of the world's largest torrent sites, in May 2023, many users reportedly moved from RARBG to Torrent Galaxy. RARBG was well-known for having copies of new movies and television programs sourced from illegal "release groups," and Torrent Galaxy has sought to provide access to similar content. As of

November 2023, Torrent Galaxy had been receiving around 38 million visits every month, making it one of the most popular pirate sites in the world.

VEGAMOVIES

Nominated as vegamovies.in. Related sites include vegamovies.bo0 and vegamovies.ren.

Vegamovies is one of the most popular piracy streaming sites in India. It reportedly receives nearly 185 million monthly visits, 96% of which originate from India. The site is in English and is known for providing unauthorized access to a wide range of international movie and television content, as well as India-based content. According to right holders, Vegamovies' domains distribute content through cyberlockers and drive-to-drive source domains. Right holders report that the site frequently changes its domain name to evade enforcement efforts, and has multiple sources of revenue including advertising.

VK

Nominated as vk.com. Headquartered in Russia.

Nominated once again this year, VKontakte (VK) is one of the most popular sites in the world and the most visited website in Russia. It continues to operate as an extremely popular social networking site but also reportedly facilitates the distribution of copyright-infringing files, with thousands of infringing films and television programs identified by the U.S. motion picture industry each month. The site allows users to easily upload video files, including pirated content, and to stream this content through an embedded video player. Right holders report that, in the last two years, VK has become less responsive to takedown notices and less willing to cooperate with industry. Moreover, right holders continue to note that VK lacks an effective repeat-infringer policy and other processes to effectively reduce the volume of infringing content posted by its users. Additionally, while VK blocks known copyright infringing sites from accessing its videos, it is easy for third-party sites to stream illegal content from video.mail.ru, which is operated by VK's parent company, Mail.ru Group. Looking to other jurisdictions, VK.com has been blocked in Italy.

WECHAT (WEIXIN) E-COMMERCE ECOSYSTEM

Nominated as WeChat and Weixin mobile apps. Headquartered in China.

WeChat, together with its China-facing “sister app” Weixin, continues to be regarded by right holders as one of the largest platforms for counterfeit goods in China, with an e-commerce ecosystem that facilitates the distribution and sale of counterfeit products to users of the overall WeChat platform. Right holders continue to emphasize the popularity of WeChat’s “Channels,” a short video function that allows consumers to purchase featured goods, including counterfeits, via a “shopping cart” functionality in the WeChat app. “Mini Programs” also remain a popular way for consumers to purchase counterfeit goods through e-commerce functionalities maintained by third-party markets on the WeChat platform.⁴⁶

This year, WeChat’s owner Tencent highlighted increased enforcement efforts, such as new tools that target public feature content, enhanced penalties for Channels violations, and many IP protection measures for its new Channels Store feature. These efforts appear to allow the platform to proactively review Channels livestreams to remove videos that promote counterfeit products or to proactively apply keywords to remove certain account names or descriptions. However, it remains unclear why Tencent cannot apply the same proactive measures to the full scope of publicly available content on Official Accounts, *i.e.* profile pages intended for brands that are reportedly approved for some counterfeit sellers, or Mini Programs.

Right holders acknowledged Tencent’s increased efforts to combat counterfeiting with respect to the WeChat e-commerce ecosystem, particularly Tencent’s proactive outreach and willingness to engage with them. In particular, right holders recognized improvements in the user experience for the brand protection portal and increased penalties for counterfeit sellers. However, right holders reported that test buys continue to demonstrate high levels of counterfeit sales. Right holders also continued to complain about the difficulty in obtaining support from

⁴⁶ Right holders noted Weidian as an example of an online market for counterfeit footwear and apparel that is available on WeChat via a “Mini Program.” Although Weidian is a separate marketplace that users could choose to access directly through the Weidian app or website, the majority of consumers rely on the WeChat mini program ecosystem to access the site and make payments through WeChat’s integrated payment processing platform. Weidian, in turn, relies upon the WeChat platform to advertise its product listings and drive consumer traffic to its mini program functionality.

WeChat for criminal investigations of counterfeit sellers, in comparison to the level of cooperation provided by other platforms. Furthermore, right holders continued to raise concerns about repeat offenders, who appear able to resume infringing behavior within 60 days after account blocking by using new WeChat IDs.

WHMCS SMARTERS

Sites include whmcsmarters.com and iptvsmarters.com. Also doing business as New Spark Technology, Mohali, India.

WHMCS Smarters is a company in India that sets customers up in the illegal IPTV business by building for them a customized “over the top” (OTT) IPTV platform from scratch and providing end-to-end support. According to the WHMCS Smarters website, services include website design and development, customized apps on several different platforms, design, graphics, branding, payment processing, and billing. WHMCS Smarters also provides the IPTV Smarters Pro App, a video player configured for different types of platforms that allows users to watch live television, movies and TV series on demand, and TV catch-up on their devices. While WHMCS Smarters states that they do not sell infringing streams, channels, or other content or subscriptions, it does sell the software, tools, and services an individual would need to establish and operate his or her own “off the shelf” illegal IPTV business. As of October 2023, the IPTV Smarters Pro website was receiving around 3.3 million visits a month. Reportedly, per a December 2022 court order in Spain, Google removed IPTV Smarters Pro from the Google Play Store.

YTS.MX

Nominated as yts.mx.

YTS, also known as YIFY, is reportedly the most popular peer-to-peer torrent site dedicated to movies in the world, with over 32,000 high-quality films available including high definition, 4K, and even 3D. The site facilitates global consumption of its library of pirated content through an accompanying subtitle site, yifysubtitles.org, which provides subtitles in numerous different languages synchronized to each individual torrent. The site is reportedly

subject to blocking orders in Australia, Denmark, France, India, Indonesia, Italy, Ireland, Malaysia, Norway, Portugal, Spain, and the United Kingdom, but frequently changes domain names to avoid enforcement.

Physical Markets

While the sale and distribution of counterfeit and pirated goods online is a growing concern, physical markets continue to enable substantial trade in counterfeit and pirated goods.

In a global environment, basic enforcement measures against unscrupulous retailers and wholesalers will not be sufficient to reduce the flow of counterfeit and pirated products. To address current and ongoing challenges, governments need targeted, modernized enforcement tools, including:

- effective border enforcement measures to prevent the exportation of counterfeit and pirated goods manufactured in their countries, the importation of such goods into their countries, and the transiting or transshipment of such goods through their countries on the way to destination countries;
- the ability for customs and criminal authorities to detain, seize, and destroy counterfeit and pirated goods entering into and exiting from free trade zones;
- robust data sharing and border enforcement authority to interdict small consignment shipments, such as those sent through postal or express-courier services;
- asset forfeiture, which is a tool that can be used to reach owners of the markets or facilities where infringing products are manufactured, assembled, processed, sold, and stored;
- criminal procedures and penalties for trafficking in counterfeit labels and packaging; and
- enhanced criminal penalties for particularly serious cases, such as large-scale commercial trafficking in counterfeit products, and trafficking in counterfeit products that threaten security, health, and safety.

This year, stakeholders reported that foot traffic at many physical counterfeit markets has significantly recovered from the impacts of the COVID-19 pandemic. However, stakeholders also noted that—due to a lack of tourism and in-person buyers during the pandemic—many physical markets shifted to online sales, which the markets' vendors continue to maintain and profit from

today. Some sellers have permanently shifted to focus more on Internet-based trafficking, using their physical space to store goods that are subsequently sent or delivered to online purchasers, while others have adopted a hybrid approach, conducting both in-person and online sales. USTR will continue to monitor and evaluate the infringing activities in these markets.

ARGENTINA

Barrio Once, Buenos Aires

Barrio Once, a large neighborhood with a high concentration of indoor and outdoor street vendors of counterfeit products, remains on the NML in 2023. Right holders report that vendors offer large quantities of easily visible counterfeit apparel, cosmetics, handbags, wallets, accessories, and shoes. An August 2023 report on illegal sales from the Argentine Chamber of Trade and Services (CAC) reported that Barrio Once represents 35.06% of total illegal street vendors in the City of Buenos Aires. The Buenos Aires police conducted one raid in this market in early 2023, but progress has not been sustained in 2023.

La Salada, Buenos Aires

La Salada, an area covering about 50 acres that incorporates three markets primarily for low-cost clothing and apparel, remains on the NML in 2023. La Salada reportedly hosts 8,000 vendors and supports the sale and international distribution of counterfeit goods manufactured in the outskirts of the City of Buenos Aires. The market also advertises on social media and hosts its own website. Police reported one raid in March 2023 that resulted in the seizure of several thousand items and in April 2023 police detained a number of people traveling to La Salada with counterfeit apparel. The sustained and deepening depreciation of Argentina's currency in 2023 has increased the attractiveness of the market for shoppers not only from Argentina but from neighboring countries. In 2023, shopping tours from neighboring countries such as Bolivia, Brazil, Chile, Paraguay, and Uruguay have increased.

BRAZIL*Rua 25 de Março, São Paulo*

The Rua 25 de Março area includes seven markets spanning São Paulo's Centro Histórico, Santa Ifigênia, and Bras neighborhoods, including Shopping 25 de Março, Galeria Page Centro, Santa Ifigênia, Shopping Tupan, Shopping Korai, Feira da Madrugada, and Nova Feira da Madrugada. The Rua 25 de Março markets remain notorious for selling counterfeit and pirated goods as well as for containing warehouses that store these goods. Right holders note that this area is one of the largest wholesale and retail counterfeit markets in Brazil and Latin America, with hundreds of shops selling counterfeit goods of all kinds, including consumer electronics, clothing, footwear, and toys. Right holders also state that the Rua 25 de Março markets contain facilities to distribute counterfeit and pirated goods throughout São Paulo and other parts of Brazil. Over the past year, Brazilian authorities have conducted some significant raids on markets in the Rua 25 de Março area including a series of activities in November 2022 that reportedly resulted in the seizure of more than 2,000 tons of counterfeit goods with an estimated value of \$250 million. However, many of the stores shut down during this operation have since reopened and those ultimately responsible for the trade in illegal goods through this market have not been held accountable.

CAMBODIA*Central Market, Phnom Penh*

Central Market, a sprawling market and historic landmark in Phnom Penh, is known for the sale of counterfeit goods, including apparel, shoes, handbags, watches, sunglasses, and other items, as well as pirated media. Many of the goods appear to be imported from China, Thailand, or Vietnam. According to vendors, local authorities have conducted an increasing number of raids to seize counterfeit products or levy penalty fees. However, the Central Market remains a popular destination, and Cambodia has emerged as a growing hub for the distribution of counterfeit goods.

CANADA*Pacific Mall, Toronto*

Right holders report that the level of counterfeit goods offered for sale at Pacific Mall has continued to increase, with Pacific Mall management not taking the necessary measures against sellers and law enforcement not prioritizing actions against counterfeit trade. Noticeably counterfeit luxury goods, apparel, and electronics are reportedly on display or hidden under tables or in back rooms but are available upon request. Also, some higher-end counterfeit products are being sold as authentic, with packaging and tags resembling the authentic brands but at a reduced price.

CHINA

China continues to be the number one source of counterfeit products in the world. Counterfeit and pirated goods from China, together with transshipped goods from China to Hong Kong, China, accounted for 60% of the value (measured by manufacturer's suggested retail price) of counterfeit and pirated goods seized by U.S. Customs and Border Protection (CBP) in 2022.⁴⁷ With the end of COVID-19 restrictions, physical markets have experienced increased foot traffic and the return of counterfeit sales. Furthermore, sellers of counterfeit merchandise continue to use their brick-and-mortar storefronts as points of contact for customers, sites for "sample/product testing," and centers for fulfillment of online sales. Enforcement authorities targeting counterfeit goods online often uncover links to vendors with a presence in physical markets. USTR encourages China to modify and expand the scope of robust enforcement actions to respond to the changing nature of counterfeit sales at physical markets, with a special focus on the following key markets.

⁴⁷ CBP, Intellectual Property Rights Fiscal Year 2022 Seizure Statistics, <https://www.cbp.gov/trade/priority-issues/ipr>

Huaqiangbei Electronics Malls, including the Yuan Wang Digital Mall, Long Sheng Communications Market, Tongtiandi Communication Market Feiyang Yang Times, SEG Communication Market, and Taixing Communications Market, Shenzhen, Guangdong Province

Right holders continue to describe this market, which features over 30 malls in the area, as “the epicenter of the counterfeit electronics trade.” It supplies electronic devices and components from manufacturers in Shenzhen and surrounding cities to the world. Foot traffic has returned with the end of COVID-19 restrictions. Right holders report that many counterfeit sellers have continued to shift their sales online and use the stores as contact points for product development, logistics, warehousing, and distribution of counterfeit goods. Online enforcement efforts against counterfeit electronics often find connections with stores in Huaqiangbei. Posted notices about respecting intellectual property rights appear widely ignored.

Luohu Commercial City, Shenzhen, Guangdong Province

This is a well-known mall located next to the Luohu border crossing between Shenzhen and Hong Kong, China. Foot traffic has returned to the market with the end of COVID-19 border restrictions, and right holders report that half of the merchandise at the market consists of counterfeit or pirated goods. Sellers of counterfeit merchandise allegedly display samples or a low amount of inventory at the market while offering a larger range of products online or via nearby warehouses. Although the market displays a message urging shoppers to respect intellectual property, no enforcement actions have been reported.

Silk Market, Beijing

Listed in the NML since 2011, the Silk Market has recovered some of its foot traffic since the end of COVID-19 restrictions. Although upper levels of the market have undergone renovation and many feature higher-end genuine goods, the basement-level stores openly sell counterfeit items. Some market vendors reportedly offer customers the opportunity to buy additional counterfeit goods online. Right holders note that authorities conducted raids against

a few shops selling counterfeit eyewear but that enforcement activity by local authorities otherwise remains minimal.

Wu'ai Market, Shenyang, Liaoning Province

This large wholesale and retail market in Northeastern China, which has a state-owned management company, remains a regional hub for the distribution of counterfeit shoes, jewelry, handbags, luggage, and apparel. Some vendors reportedly offer wholesale purchase of counterfeit goods directly from factory stores. Right holders report that, although inspections and raids have been conducted from time to time, the impact has been minimal. Additionally, local authorities are reportedly concerned about how actions against infringing vendors could harm employment in the region, which has discouraged them from addressing counterfeiting.

Xinbaijia Apparel Online Trade Market, Guangzhou

This Guangzhou market with multiple floors is reported to offer counterfeit goods and caters primarily to wholesale shoppers. Apparel is the main category of counterfeit items for sale, with a heavy focus on sports uniforms and athletic attire. Right holders note that many vendors are increasingly shifting to online sales, there has been a decrease in the number of enforcement raids, and that the enforcement actions that are undertaken are unsuccessful in decreasing the volume of counterfeits.

Xingwang International Clothing Market, Shanghai

This Shanghai market is a notable source of medium- to high-quality counterfeit fashion accessories, cosmetics, footwear, jewelry, and watches. Right holders report that a notice has been publicly posted in the market to warn sellers against selling counterfeit products, but that this notice has been insufficient in deterring sales of counterfeits by vendors.

Zhanxi Market / Watch Market, Guangzhou

This group of large, mall-sized markets near Zhanxi Road in Guangzhou are located within a mile of each other and offer mainly counterfeit apparel, shoes, and watches. Right holders continue to report some cooperation from the operators of the markets and law enforcement to curb the sale of counterfeits, such as frequent inspections and shop closures, but these actions remain largely ineffective as law enforcement authorities reportedly still refrain from taking strong enforcement measures to minimize employment losses. Medium- to low-quality counterfeits are displayed openly, while higher-quality counterfeit goods are kept out of view in drawers or upper floors. There has been a significant increase in the number of storefronts open and the volume of customer foot traffic since last year's report, when some vendors were shuttered due to pandemic restrictions.

INDIA*Heera Panna, Mumbai*

A major indoor market located in the heart of Mumbai, Heera Panna reportedly offers counterfeit watches, footwear, accessories, and cosmetics. Right holders warn that counterfeit cosmetics sold at this market may have health and safety risks.

Sadar Patrapa Road Market, Bengaluru

Sadar Patrapa (SP) Road Market is reportedly well-known for a wide variety of counterfeit electronic products, attracting large numbers of customers. Despite occasional raids on counterfeits in this market, enforcement efforts by local authorities have been insufficient to significantly reduce sales of counterfeit products in this Bengaluru market.

Tank Road, Delhi

Right holders report that this central New Delhi market continues to sell a significant number of counterfeit products, including apparel, footwear, watches, and beauty products. Tank Road Market—as well as other nearby markets in the Karol Bagh neighborhood including

the Karol Bagh Market, Gaffar Market, and Ajmal Khan Road Market—supply wholesale counterfeit goods to be resold through the region, and small-scale manufacturing occurs in the area as well. Right holders note that support from local police has been inconsistent and their efforts have been insufficient to reduce significantly sales of counterfeits in the market.

INDONESIA

Mangga Dua Market, Jakarta

Mangga Dua remains a popular market for a variety of counterfeit goods, including handbags, wallets, toys, leather goods, and apparel. There has been little or no enforcement actions against counterfeit sellers. In the past, stakeholders reported that raids were difficult to coordinate, and warning letters issued to sellers were largely ineffective. Indonesia should take robust and expanded enforcement actions in this and other markets, including through actions by the IP Enforcement Task Force.

KYRGYZ REPUBLIC

Dordoi/Dordoy Market, Bishkek

Known locally as “Container City,” this market stretches for more than a kilometer on the northeastern outskirts of Bishkek and is one of the largest markets in Asia. Large volumes of various types of counterfeit goods are reportedly easy to find. This market reportedly also supplies other markets including Jayma Bazaar in Osh, which further supplies markets and consumers in the region. Dordoi Market has traditionally been the center of the Kyrgyz Republic’s re-export activity, and thus a transit hub for China-made goods, including counterfeits, en route to Europe and Russia. Activity in the market this year appears to have surged beyond pre-pandemic levels, and large purchases for re-export are common. Laws prohibiting counterfeit goods are rarely enforced in the market.

MALAYSIA*Petaling Street Market, Kuala Lumpur*

Petaling Street Market is a well-known market that is popular with tourists and sells counterfeit goods, including apparel, shoes, and accessories. Right holders report that the Ministry of Domestic Trade and Cost of Living and the Royal Malaysia Police conducted several raids this year. For example, in July 2023, police raided nine premises at the market and seized over several thousand counterfeit items. However, counterfeits continue to be openly displayed and sold at high volumes.

MEXICO*La Cuchilla, Puebla*

Right holders identify La Cuchilla as the largest market for trademark and copyright infringement in southeastern Mexico, with approximately 120 warehouses and 150 stores selling counterfeit and pirated goods, including infringing copies of video games and electronic-game circumvention devices. This market, which has grown in notoriety and become increasingly dangerous due to its criminal activity, is associated with the manufacturing of counterfeit goods for distribution throughout parts of Mexico.

Mercado San Juan de Dios, Guadalajara

Mercado San Juan de Dios, also known as Mercado Libertad, located in Guadalajara is the largest indoor market in Latin America, spanning over 430,000 square feet and hosting over 3,000 shops. Right holders report that more than half of the stalls in this market sell counterfeit apparel, footwear, home goods, pharmaceuticals, and accessories, as well as pirated software, movies, electronic games, and electronic-game circumvention devices. Despite the reported scale of counterfeiting, no major IP enforcement raids were conducted in 2023.

Tepito, Mexico City

Tepito, a massive open-air 80-square-block market in the middle of Mexico City, is a major distribution hub for counterfeit and pirated goods in local markets across Mexico and Central America. Right holders reveal that Tepito remains dangerous due to criminal activity, making it nearly impossible for right holders to enforce their rights themselves. Infringing items sold at Tepito include counterfeit apparel, accessories, beauty products, luxury goods, and electronics, as well as video games, modified game consoles, and electronic-game circumvention devices. However, unlike previous years, in 2023 Mexican authorities apparently conducted no raids against counterfeit and pirated products at the market.

PARAGUAY

Ciudad del Este

Ciudad del Este has been named in the NML or the Special 301 Report for over 20 years. The porous border crossings at Ciudad del Este and the city itself have long been known as a regional hub for the manufacture, assembly, and distribution of counterfeit and pirated products in the Brazil-Argentina-Paraguay tri-border area and beyond. Right holders have identified concerns with the lack of effective enforcement against counterfeit goods by customs officials, police, prosecutors, and judicial officials, as well as the lack of coordination between these authorities. In 2023, newly arrived officials at the National Directorate of Intellectual Property (DINAPI) have reported a considerable increase in enforcement actions since taking office in mid-August. DINAPI also stated plans to further use the interagency coordination center to strengthen information sharing and facilitate joint enforcement actions that would increase the number of investigations, seizures, and convictions.

PERU

Gamarra Emporium, Lima

Gamarra Emporium remains Peru's primary textile market and includes large, multistory complexes with hundreds of stalls where vendors sell counterfeit apparel. Reviews on travel

websites note its wide selection of counterfeit products. The market has an e-commerce site with a directory of Gamarra Emporium vendors, including photos of counterfeit merchandise available in the market. The site does not have an electronic shopping cart mechanism for purchasing goods online but instead routes customers to the relevant vendor in the physical market. In 2023, Peru's National Police conducted four raids on Gamarra Emporium, reportedly seizing counterfeit items with a total street value of \$3.4 million, but these did not yield a noticeable decrease in the number of illicit products available in the market.

Polvos Azules, Lima

Polvos Azules has been reinstated to the NML in 2023 due to right holders reports of large varieties of counterfeit merchandise at the market. Located in Lima's La Victoria district, Polvos Azules is an indoor shopping center with a capacity of approximately 2,000 stalls selling a wide-range of counterfeit apparel, fashion accessories, bags, cell phones, and electronics. Polvos Azules has an e-commerce platform, currently offering only footwear and showing availability to ship to North and South America. Additionally, the market has active social media pages with photos and contact information for customers interested in purchasing items from individual vendors.

PHILIPPINES

Greenhills Shopping Center, San Juan, Metro Manila

Greenhills Shopping Center is a large mall with many storefronts selling counterfeit goods, including electronics, perfumes, watches, shoes, accessories, and fashion items. The government, through the National Committee on Intellectual Property Rights, has worked with right holders and the management at Greenhills Shopping Center on enforcement against counterfeit sellers, including product seizures and legal charges against counterfeit vendors. Coordinated efforts between right holders and mall management have included warning letters and suspension of business for repeat violators. Mall management, with the support of city authorities, is reportedly in the process of converting Greenhills Shopping Center into a high-end

mall with legitimate sellers. Right holders acknowledged the strong partnership between various government agencies and the mall management, but said they will need to wait and see the results.

RUSSIA

Dubrovka Market, Moscow

This market in the southeast of Moscow hosts an estimated 700 vendors spread out over 20 acres, and its location next to a large transport interchange provides easy access for buyers from Moscow and surrounding areas. The vast majority of the goods sold at this market appear to be counterfeit footwear, apparel, and luxury watches. Right holders report that most of the goods sold are counterfeit, and appear to mainly originate from China and Turkey. There is no apparent enforcement presence at this market.

Gorbushkin Dvor Mall, Moscow

Gorbushkin Dvor Mall is reportedly known primarily for its high volume of counterfeit electronics and high-end home appliances, such as refrigerators, washing machines, and flat screen televisions. Counterfeit luxury watches and pirated movies and software are also available at a fraction of normal retail prices. There are reportedly more than 1,000 vendors in this market. Some right holders report that enforcement efforts have become even more challenging due to a diminished level of support from authorities. As a result, right holders report a noticeable increase in the sale of counterfeit and pirated goods through well-known outlets, including this market and Sadovod Market listed below.

Sadovod Market, Moscow

Sadovod Market is the largest trading center for consumer goods in Russia, spanning nearly 100 acres with over 9,500 stores. The market reportedly has seen a large influx of customers over the past year, totaling over 91 million visitors. Businesses from across Russia and Central Asia allegedly use the market to make wholesale purchases of counterfeit apparel,

accessories, and toys, and the market advertises bulk purchases of beauty products across social media. Right holders note that there is no visible police presence in the market and vendors openly display counterfeit products.

THAILAND

MBK Center, Bangkok

MBK Center in Bangkok is a large eight-floor shopping mall with about 2,000 stores catering to tourists and others, and reportedly sells a variety of counterfeit products, including handbags, clothing, watches, and shoes. Thailand has taken significant actions to address the sale of counterfeit products, including increased enforcement and high-profile public education campaigns that raise awareness of the negative impacts of counterfeiting among consumers and retailers. In 2023, the Department of Intellectual Property and the Economic Crime Suppression Division of the Royal Thai Police signed an action plan that included MBK Center as an area for high-priority enforcement actions, which led to operations at MBK Center resulting in over 20 arrests and several thousand seized items. The IP Enforcement Center at MBK Center conducts random patrols, and consumers can take suspected counterfeit goods there for inspection. However, stakeholders continue to report high volumes of counterfeits at MBK. Moreover, although there has been a welcome increase in the frequency of enforcement actions, it appears that many of these actions only target a single store and result in the seizure of relatively few counterfeit goods—often fewer than 100 items. Larger-scale raids that focus on the whole market, targeting multiple stores on multiple floors, together with the seizure of more items, would have a stronger deterrent effect against counterfeiters. In addition, although MBK's owners and operators had previously cooperated by terminating the leases of sellers criminally charged by enforcement authorities, there have been no recent reports of lease terminations. MBK's owners and operators should be more proactive in terminating the leases of counterfeiters and taking other actions to discourage IP infringement—such as ensuring that policies against illegal products are publicly visible to both vendors and consumers—and sharing that information with government authorities.

TURKEY

Tahtakale, Istanbul

Turkey's geographic location makes it a major transit hub for counterfeit goods coming from China into European and Middle Eastern markets. The Tahtakale district of Istanbul adjoins the walled Grand Bazaar, but is commercially separate. The shops in the Tahtakale district deal in a wide variety of inexpensive goods, many of which are counterfeit clothing and shoes. Right holders report that the district also contains a large concentration of counterfeit consumer electronics. Although Turkish authorities reportedly conduct frequent raids in the Tahtakale district and have prosecuted several sellers of counterfeit goods, counterfeit products remain widely available in the market and right holders continue to report the need for more sustained enforcement actions.

UNITED ARAB EMIRATES

Markets in Deira District, Dubai

The Deira District is home to several markets, including the Dubai Souk, Deira Old Souk, Dubai Gold Souk, Dubai Spice Souk, and Perfume Souk. Right holders report these markets are well-known among tourists and locals for selling IP-infringing goods ranging from luxury items to industrial products. Despite official enforcement efforts, the Deira District remains a major center for counterfeit trade in Dubai. Right holders report the Dubai Police and the Dubai Department of Economic Development conduct frequent raids against sellers of infringing products at these markets. However, while authorities will fine sellers for IP violations, the sellers are typically not assessed deterrent-level fines or forced to close their shops, even if they are repeat violators.

VIETNAM*Tan Thanh Market, with Viet Trung Trade Center, Lang Son Province*

Tan Thanh Market and the wholesale sub-market Viet Trung Trade Center are located in Lang Son province on the border with China. The markets are well known for the sale and distribution of Chinese-made counterfeit goods, including apparel, shoes, luxury goods, and electronics. Although foot traffic at the market declined during the three years the nearby border crossing with China was closed due to COVID-19-related precautions, the markets have since rebounded and continue to be a hub for the distribution of counterfeit goods in the region, including to popular markets in Hanoi such as Dong Xuan market. According to right holders, many counterfeit goods seem to be transported through the Guangxi region in China, across the border to Lang Son and then onward. Right holders acknowledge government enforcement efforts, including a large-scale raid on Viet Trung Trade Center in February 2023, but remain concerned that the volume of counterfeit sales is still high and local protectionism seems to impede further enforcement.

Saigon Square Shopping Mall, Ho Chi Minh City

Saigon Square Shopping Mall, located just across the street from one of the largest shopping malls in Ho Chi Minh City, remains a popular market for the sale of counterfeit luxury products, including handbags, wallets, jewelry, and watches. As some counterfeit sales in Vietnam have shifted online, the market now mainly attracts tourists and domestic travelers. Although right holders acknowledge regular administrative enforcement efforts by government authorities, they note that low penalties have had little deterrent effect.

Public Information

The 2023 Notorious Markets List is the result of the fourteenth out-of-cycle review of notorious markets, which USTR initiated on August 24, 2023, through a Federal Register Request for Public Comments. The 60 public submissions this year are available at <https://www.regulations.gov>, Docket Number USTR-2023-0009. USTR developed the 2023 NML in coordination with the federal agencies represented on the Special 301 Subcommittee of the Trade Policy Staff Committee (TPSC). Information about Special 301 and other intellectual property-related processes and issues is available at <https://ustr.gov/issue-areas/intellectualproperty>.

To assist U.S. right holders and consumers who confront IP infringement online, the U.S. Government continues to expand the tools available on <https://www.stopfakes.gov>, including by providing links to infringement reporting mechanisms at a number of popular online retailers and markets. Victims and interested parties may report IP theft and import violations to U.S. law enforcement agencies through <https://www.stopfakes.gov>, <https://eallegations.cbp.gov>, or <https://www.iprcenter.gov/referral/report-ip-theft-form>.